

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7844**

**BILL NUMBER:** SB 559

**DATE PREPARED:** Mar 2, 1999

**BILL AMENDED:** Mar 1, 1999

**SUBJECT:** Various Insurance Matters.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill removes fees collected by the Commissioner of the Department of Insurance associated with the Commissioner's duties as agent for service of process. The bill also provides that various insurers must appoint an individual or corporate resident of Indiana, or an authorized Indiana insurer, as the insurer's agent for service of process.

The bill also makes certain changes regarding continuing education requirements and licensure of insurance agents. It also removes the requirement that information concerning premiums and losses, jury awards, court awards, and negotiated settlements be filed with the annual financial statement of insurers selling certain lines of insurance. The bill changes the requirements for annual information filing with the National Association of Insurance Commissioners (NAIC) from diskette to electronic filings.

This bill also provides for the treatment of nonconforming policies. It defines "exempt commercial policyholder" and "risk manager". It also provides for the deregulation of exempt commercial policyholder insurance transactions.

The bill also increases the settlement procedure amount under the Medical Malpractice Act from \$100,000 to \$250,000. The bill provides that the Commissioner will continue as agent of service of process until a different designation is received by the Commissioner. The bill also makes conforming amendments.

**Effective Date:** (Amended) Upon Passage; July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) This bill exempts certain insurers from filing rate and form information with the Department of Insurance. Exempt companies will still pay the \$35 filing fee with the Department of Insurance. These provisions should have little or no impact on fee revenue to the Department

of Insurance.

The bill does remove fees collected by the Commissioner associated with the Commissioner's duties as agent for service of process. However, the anticipated net changes in revenues are not expected to be significant.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance

**Local Agencies Affected:**

**Information Sources:** Pat Holden, American Insurance Institute, (847) 470-1070.  
Raul Allegue, Traveler's Insurance, (860) 277-4738.  
Liz Carroll, Indiana Department of Insurance, 232-2406.